



Hedonic valuation of private residential property

Are you looking for a straightforward and established valuation model for single-family houses and owner-occupied apartments? Is well-founded market knowledge as well as minimal costs important to you? Is your competitive advantage driven by flexibility? Our answer to these questions is the «hedonic valuation of private residential property».

Hedonic valuation models

The hedonic valuation model is only half as exotic as it sounds. In principle, this approach is based upon the classical valuation method: Using arm's-length property transactions in combination with a standardised approach (multiple regression), general conclusions can be made about the properties that are being valued. As such, this valuation model could also be described as a statistical comparison method.

This tool, which has been marketed by Wüest & Partner since 1999, is based on the combination of several years of intensive experience with finance industry representatives and an exclusive data pool. It is exclusively used by professional companies. Today, more than 50 Wüest & Partner clients (such as banks, insurance companies and real estate agents) work with the hedonic models for the valuation of private residential property.

Wüest & Partner

Wüest & Partner is one of Switzerland's leading consultancies. Its services focus primarily on issues surrounding the property and construction industries as well as spatial and location development. Founded in 1985, Wüest & Partner stands for high quality, innovation and customer value.

Wüest & Partner is the clear market leader within Switzerland with regard to property valuation. Around 182'000 property transactions, with a value of approximately 132 billion Swiss francs, form the database of the two hedonic valuation models (as of May 2010).

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Valuation method

Statistical comparative value method, exclusively based on arm's-length transactions. Around 20'000 arm's-length transactions per year make up the database.

Two independent valuation models, one for single-family houses and one for owner-occupied apartments.

Base data

Reference data on municipal and district levels used for the assessment of the macro location (attractiveness of the municipality/ location).

Quarterly update of both valuation models and the underlying market data.

IT dimension

User interface with menus for navigation.

Database with save and search options.

Valuation reports in PDF format.

Professional functionality

Optimised number of input variables for an efficient property valuation.

Guided process (small questionnaire) for the assessment of the condition of the property, the standard and the location quality within the municipality.

Valuation of indoor and outdoor parking spaces as well as ground lease data.

Traffic light system for the identification of special properties.

Availability of a market and location rating at the municipal and city district level.

Technical functionality

Valuation model in four languages: German, French, Italian and English.

Possibility of portfolio valuations.

Export functionality (in Excel format).

Encryption of sensitive information held on the database.

Business models

Annual user licence.

Access via WUPNET®, a web-based solution with 128-byte-data encryption.

Application within the «WinCredit®», «APIA®», «Avaloq®» or «Finnova®» software as a specific module.

Provision via Wüest & Partner's Excel-based valuation platform.

Operation via customer owned Intranet solution.

Context

Quality control ensured by an independent, academic expert group.

Quarterly reporting about quality standards.

Consultancy services during implementation and initiation (training and support).

Transaction based, quality-adjusted price indices starting in 1985: WUPIX®.